



The State Bar *of California*

OPEN SESSION AGENDA ITEM SEPTEMBER 2019 AUDIT COMMITTEE III.B

DATE: September 19, 2019

TO: Members, Audit Committee

FROM: John Adams, Chief Financial Officer

SUBJECT: Audit Committee 2018-2019 Work Plan Review

EXECUTIVE SUMMARY

This agenda item presents the Audit Committee 2018-19 Work Plan and provides a status of the work plan.

BACKGROUND

To strengthen the Board committee process, each Board committee, with staff assistance, develops a work plan summarizing the annual, recurring and time-limited items to be undertaken, the strategic goal(s) and objective(s) furthered by each item and an estimated timeline for the completion of this work.

Work Plans for the 2018-19 Board year were developed in the winter of 2018 after the strategic planning session in January and approved by the Board Executive Committee in January, 2019. Work plans are aligned with the Board's larger strategic planning efforts and items are linked to the State Bar's Strategic Plan.

DISCUSSION

This item is intended as a discussion item for the Audit Committee. Members are encouraged to provide input regarding how the work plan can be improved in the future and better used to guide the work of the Committee and advance the Strategic Plan of the State Bar.

Attached is the Audit Committee Work Plan for 2018-19. Many of the items are reoccurring and require oversight by the committee. There was significant work effort by staff on the various work plan items, including:

- Review of State Bar's compliance with various rules and statutes.
- State Auditor's Audit (October 2018 to April 2019)
- Legislative Analyst Review (October 2018 to June 2019)
- Annual Independent Financial Statement Audit (Completed in May 2019)
- Continued implementation of Past Audit Recommendations.

FISCAL/PERSONNEL IMPACT

None

RULE AMENDMENTS

None

BOARD BOOK AMENDMENTS

None

STRATEGIC PLAN GOALS & OBJECTIVES

Goal: 1. Successfully transition to the "new State Bar" — an agency focused on public protection, regulating the legal profession, and promoting access to justice.

Objective: c. Implement and pursue governance, composition, and operations reforms needed to ensure that the Board's structure and processes optimally align with the State Bar's public protection mission.

ATTACHMENT(S) LIST

- A. Audit Committee Work Plan

State Bar of California Audit Committee

Updated 2018-19 Work Plan

Annual/Recurring Items	To Committee? / By When?	To Board? / By When?	Link to Strategic Plan	Status
<ul style="list-style-type: none"> Review quarterly Travel Expense Reports 	03/19; 05/19; 09/19, 11/19	As Needed	Core Business Operations	Completed Each Qtr.
<ul style="list-style-type: none"> ORIA Compliance Review and Activities: <ul style="list-style-type: none"> Identify and implement a tool to facilitate institutionalization of practices Investigate priority areas, including fingerprinting requirements and other DOJ related items Recommend and implement corrective actions Begin development of manual to memorialize practices Begin systemic review of mandates Identify all State Bar Rules creating organizational requirements 	Planning Stage	November 2019	Core Business Operations	Ongoing. Comprehensive List of Requirements Established Follow-up Occurring on Priority Items
<ul style="list-style-type: none"> State Auditor's Audit (Every 2 years): <ul style="list-style-type: none"> Monitor progress Evaluate findings and recommendations Monitor implementation of corrective actions 	Expected 2019	May 2019	Core Business Operations	Started 10/1/2018 Completed 7 Findings
<ul style="list-style-type: none"> LAO Review <ul style="list-style-type: none"> Monitor progress Evaluate analysis and recommendations 	Expected mid-2019	July 2019	Core Business Operations	Completed
<ul style="list-style-type: none"> Annual Financial Statement Audit (Every Year): <ul style="list-style-type: none"> Approve scope, meet with auditor, assess independence Monitor progress Review audited financial statements Evaluate findings and recommendations Monitor implementation of corrective actions 	November 2018 Ongoing April 2019 Ongoing Ongoing	NA As Needed May 2019 As Needed AS Needed	Core Business Operations	May 2019 2018 YE Audit August 2019 Interim Audit

Annual/Recurring Items	To Committee? / By When?	To Board? / By When?	Link to Strategic Plan	Status
<ul style="list-style-type: none"> Cybersecurity Assessment (Every 2 years): <ul style="list-style-type: none"> Approve scope and fees Monitor progress Evaluate findings and recommendations Monitor implementation of corrective actions Review status of cybersecurity with staff (in years with no assessment) 	Previously done Ongoing March 2018 Ongoing 2019	NA As Needed March 2018 As Needed As Needed	Goal 3.i.	Assessment Completed Dec 2017. 44 Recs. Ongoing Monitoring

Time-Limited Items	To Committee? / By When?	To Board? / By When?	Link to Strategic Plan	Status
<ul style="list-style-type: none"> Implementation of Audit(s) Recommendations: <ul style="list-style-type: none"> Monitor progress 	Ongoing	NA	Core Business Operations	Annual Update September 2019